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HEGEMONY OF MARKET: DISMANTLING THE DEMOCRATIC GOVERNANCE IN INDIA

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ABSTRACT

India provides an interesting case for the study of economic policies and institutions of governance. The globalization, economic liberalisation and mercerization have implications on society, polity and economy. The integration of Indian economy with the world economy is not so easy. The new policy environment has created enormous opportunities and challenges. The competition has increased with the wider scope for cross border economic trisections however it requires administrative reforms and privatization of production and marketing to the greater extent in order to improve efficiency and productivity. The market forces are dominating the democratic governance. Against this view point present paper purports to review the structural changes in democratic governance in the context of globalization and new policy regime.

It is nearly one and half decades now since India pursued the goal of rigorous economic reforms certainly under the dictates of the International Financial Institutions. Once again, it was taught by the external agencies that the instruments of socio-economic development adopted by Indian leadership in post-independence period to eradicate 'poverty', 'ignorance' and disease of 'inequitable opportunity' (advocated by Nehru) have failed miserably. Though, there are remarkable achievements which can be pinpointed such as 'varying from successful democracy of a multiparty democratic system to emergence of large scientific community' (Dreze and Sen: 1995, 1,2) and high standards of social and economic development at macro level yet, the success in the core issues of national economy, such as eradication of poverty and ignorance, end of socio-economic discrimination due to unequal opportunities and eradication of deprivation and insecurity, remain still unachieved. It is noticeable that these tasks identified by the Indian policy makers remain largely unaccomplished even after almost fifteen years of economic reforms, rather they have accentuated further on many fronts. This is clear from the fact that in the category of developing world India has been left far behind in the race of development on many accounts by many other developing countries with diverse political systems such as 'South Korea' and 'Thailand' with liberal democracy, 'China' and 'Cuba' with Socialist

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democracy and 'Costa Rica' and 'Sri Lanka' with mixed political systems (*World Development Report*: 2005.)

Over past couple of decades the theorisation of economic reforms has become growth industry not only in the field of economics but also in the entire area of social sciences. There is no point of disagreement in accepting the fact that the economic reforms in India, like in other developing countries, fall in the agenda of globalisation or neo-liberalism, which are reflected in global and transnational interconnectedness of various elements of global order–communities, states, international institutions, non-governmental organisations and MNCs. All these elements necessitate the political structures responsible for governance. While conceptualising the economic reforms and analysing their implications the academics, not only in India but across the world, are broadly divided in two diagonally opposite streams–ones, who profoundly argue that free market economy based on neo-liberalism provides complete solution to the crisis of modern society, and others, who favour state interventionist approach, are critical of substitution of state by market forces. In the liberal school of thought the discourse of economic reforms was marked with confidence and triumphalism with the hegemonic interpretation of so called America's victory in cold war 'as a victory for a set of political and economic principles –democracy and free market' (Chomsky: 1999, 92). It is clear that any change in the global power structure favours some and disfavours others. Similarly propagation of liberal economic reforms, on the principle of free market economy, certainly favours the corporate class and mainly America at international level. That is why a popular 'Clinton Doctrine' enunciates that the new agenda of American Foreign Policy is to consolidate the victory of democracy and free market. But, how market and democracy can go together? In fact, it is the governance through corporate business houses, which has been strengthened by the global economic forces and has substituted the state from the areas of governance.

It is modest attempt to analyse the impact of these reforms on the working of democracy and the functioning of state in India through this paper. There are number of questions related to these reforms. For instance, how the fundamental nature of Indian State has changed in post-reform period? Can market be the basis of good governance? Can the merit of democracy be evaluated on the fundamental principles of market such as 'entrepreneurial oriented development', 'free competition' and 'survival of fittest'? Can free market reduce the vulnerability of poor people in India? Can market governance be transparent, sensitive and accountable? All such questions, besides many others, constitute the focal point of academic debate in India at the current stage.

Understanding the Shift from Democratic Governance to Market Governance

To make the discussion more précise I propose the following assumptions meticulous analysis of which would provide the basis to understand the process of shift from democratic governance to market governance in India, and which are substantiated with the facts in the next part of the paper:

- Since, the logic of democracy and market is opposite to each other, thus, obviously both are in state of conflict with each other and economic reforms have revealed such contradictions profoundly. Rules of market are unethical and irrational, therefore, it is unjust to expect creation of egalitarian social order with the help of market governance. The governance in any form is necessarily based on representative characteristics–democracy represents the public interests whereas the market represents the business interests and governance through market is necessarily undemocratic.
- Since, the economic reforms in India are guided and advocated by the forces of market, of course with the help of existing political institutions, the state has gradually become the vanguard of market interests. The journey of economic reforms in India started in 1980s and reiterated in 1990s, initiated the process of instrumentation of state in tune with market forces. It implies that the economic reforms in India led to the shift in the task of governance from state to big businesses and private capital with unprecedented speed.
- Because of multi-dimensional character of poverty in India, public actions from all areas are urgently needed to uplift the poor people but the diagnosis in the form of market oriented economic reforms, have proved ineffective simply because market is insensitive towards the issues of public concern. Thus, eradication of poverty and improvement of life standards of poor people through market governance is unattainable. In nutshell, the priority perceptions in policy making have changed dramatically and existing political institutions are watching helplessly towards business houses to take initiative on public policy. Consequently, the public issues, such as employment, health and education, have somehow become non-issues.
- Broad-based economic growth can only be assessed in terms of creation of equal opportunities for the people. The footings of strong economic growth does not depend solely on activities of private business, rather it requires the investment in human areas so as to cater the productive potential and skill of poor people. Priorities formulated on the preferences of market have marginalised the large segment of the society.

- Though, at macro-level there are some positive signs in the indicators of development, mainly in the middle class segment of the society, yet, prejudices against poor people, particularly poor women and children in India, continue unabated. It is clear that, as globalisation has come with inhumane face, similarly trends related to economic reforms in India indicate that they have failed miserably in reducing the vulnerability of weaker sections of society.
- The basic parameter of good governance is the broad involvement of poor people and society at large in policy designing and implementation but it is possible if they constitute the integral part of public debate. Unfortunately, economic reforms in India have led to marginalisation and alienation of majority people in the society and benefits of development and modernisation have stricken to particular areas and to particular section of society. Those who are able to compete in the market play important role in building public opinion, rest are excluded systematically from the area of governance. Thus, in changed circumstances market forces have become pivotal instruments of governance in India.
- It is the middle class that constitutes around 30 per cent of Indian population, which falls in the focal point of the economic reforms. The boom in economic areas is visible only in high consumer's index of middle class. In fact, at this stage the middle class is both means and end of all economic activities of the system. This is urbanised or semi-urbanised section of Indian population that constitutes the pivotal role in Indian economy. Under the given circumstances, the benefits of economic reforms are siphoned by the middle class residing in urban areas, which feed Indian industry, and rural population engaged in conventional economic activities, mainly in agriculture, remain deprived, exploited and alienated. Since, there is symbiotic relationship between economic reforms and middle class in India, i.e., economic reforms are for middle class and in turn middle class sustains economic reforms, reforms are bound to be middle class friendly.
- Probably the most disturbing trend that has emerged over last fifteen years, in the field of decision-making, is that the supremacy of business houses and capital is an established fact in the governance. Currently, there are two forms of governance going side by side in India, one through so called democratic institutions recognised by the popular constitution, such as Parliament and Cabinet and simultaneously, on the other hand, there is governance through market institutions. The public interests are reflected in democratic institutions in which almost all sections of society participate directly or indirectly, whereas the market

institutions are taking the decisions on the public issues without realising the public sensitivity, overtly or covertly. This is simply because, though the legitimacy of democratic institutions in India is established by the common people yet, they incorporate the market actors with in the arena of political decision making very conveniently. That is how the existing state institutions represent the market interests. It is also because the public representatives working within the political institutions are part and parcel of the community, which has its interests in market. Unfortunately, at present stage the fourth institution of democracy–the media–which is the main instrument of building of public opinion, has become the integral part of this de-politicisation process in almost total collaboration with the forces of market.

- Lastly, if evaluated on the empirical bases it can fairly be realised that in the epoch of globalisation whole of Indian population can be classified in three categories. Firstly, it is only less than ten per cent of Indian population that are controlling the tools of globalisation. That means only ten per cent of population is globalised. The second segment, comprising of almost thirty per cent of population (middle class), has been successful in grabbing the benefits of globalisation and modernisation obviously with the extensive use of modern technology. The third segment of society, which is constituted of majority of population, is excluded from the process of decision-making and is deprived of the benefits of development. The latest trend which is emerging as consequence of economic reforms in India is that the people belonging to the third segment of population (the majority) have started to organise themselves in the form of groups mainly based on ethnic identities and are trying to assert politically in the present political set up. Thus, because of economic deprivation and also because of denial of accessibility of benefits of modernisation and development the ethnic upsurges are likely to go up in near future.

Understanding the Politics of Market Governance

Now, for verification and establishment of these assumptions one needs to analyse the various dimensions of economic reforms and their implications for the overall developmental processes vis-à-vis the changes in the process of governance in India, meticulously. It must not be forgotten that economic reforms in India are more because of the external reasons, i.e., international economic forces, than the internal compulsions and thus, can be seen as part of series of economic transformations being forced upon the poor economies at global level in the post cold war period. However, a particular section of scholars in India have been arguing that the indigenous factors such as scarcity of foreign exchange reserve (in early 1990s) and poor economic growth rate prompted Indian decision-makers to adopt the model advocated by the International Financial Institutions. But, it is pertinent to mention here that such conditions were the result of discriminatory practices adopted by the main actors of international economy, which dragged Indian economy in the state of 'debt trap'. It needs to be highlighted that almost all the developed countries of today's age applied strict tariff regulations and wide range of subsidies to provide state protection to their industries, which is absolutely contradictory to their new diagnosis of globalisation and liberalization for the sick economies of the developing countries. For instance, Great Britain used state directed trade and industrial policies during 19th century, the tactics which were adopted by all industrializing nations of the time and also, at later stage, by East Asian Countries in 1970s and 1980s. Similarly, in late 19th century and early 20th century, when there was a tremendous growth in the means of transportation and communication and the US economy was undergoing the process of making 'the markets were not left to develop willy-nilly on their own; government played a vital role in shaping the evolution of economy' (Stiglitz: 2002, 21). But the same countries are preaching economic reforms to less developed countries or developing countries at a point of time when state's interventions are most needed. It is 'like someone trying to kick away the ladder with which he had climbed to the top' (Chang: 2003, 12). The conditions for the journey of development in India are absolutely different as compared to those faced by the Western Countries particularly in the sense that India is having well established democratic institutions with universal suffrage, highly institutionalised democracy, laws with regards to bankruptcy and security regulations, which the Western Countries did not have at the time when they were undergoing the process of industrialization and development.

Thus, in the given circumstances, there is almost a complete change from bureaucratic governance, i.e., governance through state institutions, to newly emerging model of market governance, which in fact 'involves no public employee and no public money' (Kamarck in Donahue and Nye Jr., 2002, 250). Though, it does not involve people's money directly yet diversion of public property including the money collected in the form of tax, towards the strengthening of infrastructure of market is an act of treachery with the majority people. Strategically, nature and objective of financial aid from developed countries to developing countries in post 1990s period is different as compared to that of post colonial period. After Second World War when the new international regulatory institutions were emerging, the western countries extended the support with the clear intention of neo-colonial interests which ultimately led to 'debt trap', but in post cold war period the main objective of western aid is 'free trade' obviously through so called globalised economic structure. For example, 'after Doha the slogan of 'trade, not aid' has been altered to 'aid for trade' which in fact means using tax payers' money as subsidies for exports and conditionalities for trade liberalisation' (Shiva, 2001, from Net). With the pace of industrial development such educational institutions are being created and funded by the business houses that could cater the need of the market forces. The whole concept of development has been redefined by the developed countries as 'growth of trade' which is clearly reflected in their pursuit to subsidise the commercial activities of the corporate houses, and unfortunately, the poor people have disappeared from their priority perception. The money is being invested by the capital monopolies with the clear intentions of short term and long-term interests. Short-term interest means that they (capitalists) invest the surplus money with the clear intention of capital generation and long-term interests include the trainings of professionals, which could be employed in the area of market governance. Because of huge financial resources under the control of market forces, they (market players) can very easily create their own priorities. In fact, by creating class of 'edupreneurs' (term used by Kamarck, 251) the Indian society has been successfully transformed into a typical capitalist society obviously through mercantile capitalism. Contrary to the claims made by the supporters of market forces (for instance, Kamarck, 251, acclaimed that the market oriented education provides various advantages such as 'innovation in instructional methods, higher academic standards, weakening out of substandard schools, introduction of new technology, etc.), market guided education system in India is deepening the inequality crisis.

Clearly, the strengthening of market and weakening of state in the area of governance can fairly be attributed to 'internationalisation of manufacturing and the emergence of transnational corporate empires' (Kox and Agnew 1998, 50). It is clear that these transnational corporations have taken almost total control over the technological advancements with the help of which they have overpowered the state not only in the field of economy but also in the area of sovereign governance. The use of advanced means of telecommunication and data processing by TNCs has transformed the market into an ultimate tool of governance. Transfers of financial resources in the hands of private business and deregulation of financial market in India have vitiated the state's capability of mediation. In the newly emerging market regime in India the so called democratic institutions (Parliament and the Cabinet) and national bureaucracy, are not only accommodating the market players in the decision making but are also extending the greater cooperation and acceptance towards the rules related to trade, capital investment and financial regulations which are framed by the supranational and international organizations such as EU and WTO. This phenomenon of 'internationalisation of domestic politics' (Knox and Agnew, 101) under the dictate of market has overtaken the state in the area of democratic governance. The public representatives carry the corporate interests to the decision-making institutions and our policy makers are all set to protect these interests. For instances, our Finance Minister Mr. P. Chidambram can be heard clearly and very often while saying in the parliament that 'role being played by the capital investors should not be criticized and it is the prime duty of the government to create favourable conditions for foreign capital and investors'. It appears that he is the representative of market forces not of the people especially the poor people of the country.

Ethics of Market Opposed to Logic of Democracy

It is pertinent to mention here that the issue of good governance remains in the forefront of the journey of development. The concept of good governance involves necessarily two parameters–on the one hand, it is related to the management of the processes and creation of conditions in any society that enable individuals to raise their capability level and simultaneously, it is about the guarantee of equal opportunities to the people so as to realise their potential and personality, on the other. But, the core question before the intellectuals and policy makers of the day is that–has present day market based governance created suitable environment for the realisation of these goals? Certainly not. The dynamics of economic reforms in India can be understood in totality only after the meticulous observation of relationships between the rationale of market and the logic of democracy. As I have argued somewhere else that 'market' and 'democracy' are 'inversely proportionate' to each other, more marketised the social relationships are, less democratic the society is. It is simply because 'the logic of market is profitability, whereas democracy is institutionalisation of politics on the principles of welfare and equality' (Bhardwaj: 2002, 32), the principles which are out-rightly rejected by the forces of market. The governing principle of market is competitiveness of the agents, which 'strives, within limits set by ground rules, to better their own economic positions' (Smith, 1990, 15). It cannot be denied that selfishness is necessarily involved in the raw competition for market activity. Ironically, way the things are changing on account of economic reforms in India, it is clear that the state institutions and administrative machinery are managing the crisis emerging out of these reforms (related to free global trade, free capital flow and increased interconnectivity of nation-states) instead of addressing the core issues of human development such as health, education, electricity, transportation, and environment. After over one and half decades of the economic reforms, it is appropriate time to evaluate and analyse the multiple complexities growing perpetually in the process of governance.

The virtues of good governance lie necessarily in the institutionalisation of humanised politics. The Indian policy makers tuned their arguments with the voices of capitalist forces working at global level and ignored the internal socio-economic dynamics of the society. By rationalising the market dominance in the arena of governance the state has been dehumanised simply because the current market dominant philosophy is based on 'if I have to be, you must be exterminated or your existence is threat to my existence' (Shiva, 2003, from Net). That means the 'survival of fittest', the Darwinian theory, constitute the basic principle of market governance which has eliminated the human element from the area of governance. Now, the manner in which the market democracy has been legitimised in the ongoing discourse of political transformations, this whole process has three dimensions–one, the institutionalisation of market forces within the decision making process in total consensus to each other, second, legitimatisation of principle of laissez-faire and free competition as the basis of institutionalised framework of politics and third, systematic exclusion of social component of democracy from the area of governance. The inclusion of market perceptions in the realm of politics has led to democratic failure in the country. Since, the ultimate interest of market is maximisation of profit, the decision making through market can never be humanitarian and democratic.

Political Institutionalisation of Market

The new era of economic globalisation has reduced the political legitimacy of the state and at the same time the state authorities are all set to satisfy the external constituencies, i.e., the market players that are necessarily outside the domain of democratic governance. Both Constitutional limitations and democratic systems, which 'supply political legitimacy to state for the exercise of power' (Langhorne, 2001, 40), have been excluded from the area of political decision making systematically.

In fact, the encounter of the institutions of good governance with the forces of globalisation and market started with the emergence of economic interconnectivity of societies at inter-state level. The market has always remained in the centre stage of the governance mainly by influencing the priority perceptions of rulers or policy makers. The role of market in governance increased tremendously with the increase in the intensity of global flows during the early phase of industrialization. Since, the infrastructure of globalisation is incredibly variable and uneven, the large part of world remains untouched altogether which for obvious reasons create perplexing conditions for governance. Paradoxically, in the epoch of contemporary globalisation the market confronts with the core principles of democracy simply because the democratic principles are rarely extended to 'cover the aspect of multi-lateral regulations and good governance' (Held, David, et al, 1999, 431). Thus, the most crucial question before the intellectuals, academics and policy makers of the present age, is how to combine the principles of democratic governance with the transnational and global organizations constructed on the principles of free competition and open market? It is quite visible that in the contemporary phase the market has emerged as strong instrument of governance and thus, has vitiated the capacity of state to manage and mediate the impact of globalisation. It is needless to state that quality of democracy depends on the scope of accessibility of people in public deliberations and political decision-making but whole process of public participation has been blocked by the forces of market by excluding the people from the domain of public deliberations. In changed circumstances the legitimacy of the governmental actions is determined by the institutions of market and capital in which majority of people have no accessibility.

Therefore, the trends which are unfolding before us indicate that the democracy is under severe attack coming from the market forces all across the world, at least the democracy defined in terms of mobilising opportunities for people to manage individual and collective affairs. The new economic players–the corporate entities–have attacked the democratic governance almost everywhere and the societies are subjugated by the market forces, which in fact, are insensitive and unaccountable to the people. The most unfortunate part of the whole story of the economic reforms being carried out in developing countries is that the market forces have been strengthened and their immense power is growing consistently because of the fact that the developing countries are forced to globalise their structural models so as to cater to the needs of global economic forces. The net implication of these changes is that the deep-seated and persistent imbalances in the current working of the socio-economic system, which are necessarily the consequences of unequal distribution of benefits of economic reforms, have made society not only unethical but also politically unstable.

Keeping this background of global economic transformations in mind, it can be stated that the sphere of market economy is growing consistently, at least for last two decades, and countries like India are left with no choice other than joining this unethical race of marketisation of state. Clearly, like in other countries the state system in India has been under severe pressures coming from global economic forces, of course, in total collaboration with the national capitalist class which provides substantial base for the global market actors to operate from within. Thus, economic reforms in India have not only strengthened market forces but have also empowered them in such a way that the existing democratic political institutions have become almost true representatives of the market interests. In India the noticeable change in the mindset of the people, who are related to market governance directly or indirectly, is that they have been indoctrinated with the success of marketisation and in turn they (local bourgeoisie) are indoctrinating the common masses with the remarkable fidelity towards capitalism and consumerism. The close examination of changes in the governance mechanism in India establish that the market forces project that they have discovered the true meaning of the economic and political principles that are rhetorically declared to be the wave of future, which are purely based on neo-liberalism. The changes in the structural model of Indian economy are reflected in two dimensions – one, at the domestic or micro level witnessed in the form of state sponsored drive towards privatisation, liberalisation, denationalisation and desubsidisation, and other is deregulation of state authority at the international platform particularly, in the wake of cross border flows of capital, production, trade and technology. For obvious reasons, all these changes (called as reforms by the vanguards of capitalism but surely do not qualify the definition of reforms simply because these changes have deformed the socio-economic and political system of the country) have significantly altered the basic nature of democracy in India.

Market Governance by Whom and for Whom?

Now the question arises that why the governments and political institutions in the less developed countries are willing to promote the market forces regardless of their adverse effects on the majority of their fellow citizens? The answer lies in the age-old phenomenon of colonisation of weaker countries with the help of a class of 'westernised elites hooked on economic development' (Goldsmith in Goldsmith and Mander: 2001, 24). This class of local elites serves the interests of players of global market at international level. That is why the most governments in developing countries exhibit the interests largely antagonistic to the majority of their countrymen. This is the tactic with the help of which Britishers succeeded in creating the class of 'anglicised elites' (Goldsmith, 24) in India, which served the British commercial interests and created favourable conditions for the success of British colonialism in India. The net result of 18th and 19th centuries' colonisation was creation of a category of states and societies permanently dependent on west. Thus, intervention of market forces in the working of state and, or, governance is not new phenomenon but it has come with new dimensions.

Tactically, the beneficiaries of 19th and 20th centuries' transformations adopted the same agenda, i.e., governance by the market and for the market interests. However, for small period of around fifty years, Soviet Socialist Democracy tried to give humane face to market forces temporarily through state interventions. Though, at ideological level the end of cold war between capitalism and socialism was interpreted by the western scholars and academics as victory of liberalism, yet at strategic level it was the victory of market forces over the state. Alike the beneficiaries of industrialisation in Europe and America transformed the state into a capitalist institution during last two centuries, similarly, the beneficiaries of the free competition and open market have been successful in transforming the state as market institution, i.e., *state for market*.

Understanding the Indian Political Economy in Global Perspective

Though the spirit of globalisation or greater interconnectedness of nations and societies in real sense lies in the mutual benefits of developments yet its instruments are necessarily discriminatory in nature. Globalisation would have given greater opportunities to integrate their economy closely with the world economy only if the world's income distribution would have become more equal in past decades. Had it been so the crucial and long standing disagreement in economic theory between the orthodox view that economic growth naturally delivers convergence of rich and poor countries and the alternative theories which, for one reason or the other say the opposite, would have settled. But the evidences show that over last two decades (i.e., the period in which the economic globalisation was pursued with hilarious slogans) the classes of winners and losers have emerged clearly. Keeping in view the pattern of wealth accumulation under the disguise of economic globalisation at global level one can visualise the emergence of two poles as consequence of unequal distribution of income–'one at the bottom end' having 'average income less than $ 1500 a year' constituting large part of population from India, Africa and Rural China, and the other pole with 'average purchasing power parity incomes more that $ 11500 a year containing US, Japan, Germany, France, Britain and Italy' (Wade, 216). Interestingly, there are very few countries having in middle range of $ 5000 and $ 11500 a year and most of the countries fall below this middle range. The following Table depicts the patterns in the distribution of income during 1988–1993 which establishes that the world is becoming more unequal and thus, unjust–

World Income Distribution between 1988-1993

Inequality Majors	*1988*	*1993*	*% change*
Gini Coefficient, World	63.1	66.9	6.0
Poorest decile's % of World Income	0.88	0.64	-27.3
Richest decile's % of World Income	48	52	8.3
Median as % of Poorest decile	327	359	9.8
Richest decile as % of Median	728	898	23.4

Source: Robert Wade, P. 219. Based on *Measuring the Distribution of Global Income* by Yuri Dikhanov And Michael Ward, World Bank.

The data shown in above table indicate that the Gini Coefficient (commonly used to measure inequality, 0 signifies perfect equality and 100 means one person holds all income) increased about 6 per cent for the period between 1988–1993. The data depicts that share of world income of the poorest of 10 per cent of world population fell by 27.3 per cent whereas richest of the world population rose by 8.3 per cent. This is so because world purchasing power parity weighed by population became much more unequal for the period and the pace of inequality was faster in case of India simply because of absence of an appropriate distribution mechanism and large population. It is true that the world income has grown rapidly in the age of economic globalisation but the most disturbing trend which has emerged during this phase is that 'about 85 per cent of world income was received by the richest 20 per cent, the slenderest of stems below representing 15 per cent received by the poorest of 80 per cent' (Wade: 222). How the world can be peaceful under this ever-increasing inequality?

As the economic globalisation has generated 'a new pattern of winner as well as loser in global economy' (Held, David, et al, 4), similarly the economic reforms in India have created a class of gainers. In political arena the institutions evolving out of the process of economic reforms in last fifteen years or so, are profoundly uneven simply because it involves the process of inclusion and exclusion of people from the political mainstream. The winners of this game are institutionalising the market in the political framework. In fact, this class of gainers (called as national bourgeoisie) is out rightly set to import the virtues of 'market civilisation' from the western world. As consequence of globalisation, liberalisation and privatisation, a close connection has evolved between the masters of market and politics in tune with global actors where a tacit transnational class alliances have evolved between the elites and the workers of new global economy 'cemented by an ideological attachment to a neo-liberal economic orthodoxy' (Held, David, 4). Most interesting phenomenon which has emerged out of whole set of economic reforms is dichotomy of the state and market–at one point of time advocates of market forces argue for minimised role of state at least in the area of economics, simultaneously, they themselves depends on the regulatory power of the state (through national governments) to ensure continuing economic liberalisation. It implies that with the substitution of state's authority by the market forces, in changed circumstances the state is being commanded by the market instead by the democratic spirit. Thus, present stream of socio-economic transformations is reflected in the binary of inclusion and exclusion, i.e., inclusion of market forces and exclusion of principle of democracy from the domain of governance. Of course such changes are being realised by the indigenous elite class in close connection with global market forces.

Creation of Hunger through Market Governance

In the simplest terms economic reforms in India means giving market image to both society and state. The process of globalisation has led to transnational integration of the capitalist class and so, this class is determining the structural dimensions of the governance across the world. Consequently, developmental model based on market strategies has vitiated the social democracy in India. Panitch (1998, 20) has rightly stated that–

> *It is as though, seeing a man on the street hungry and homeless, you approach his problem only through the optic of his not being motivated enough, entrepreneurial enough, skilled enough to get job, rather than through the optic of there being something fundamentally wrong with the capitalist system (or obviously with the market oriented economic reforms).*

This is almost absolutely true in case of India where millions of people are dying of hunger and the food-stock is either rotting in FCI godowns or is being exported below the level of procurement prices simply because the poor people have no money to by the food. It is paradoxical that in spite of huge accumulated food stock which stood 63.1 million tones in July, 2002–40 million tones in excess of buffer norms, around 40 per cent of Indian population residing in the rural areas, tribal regions and slums in urban areas, is facing starvation. There have been number of arguments which have been advanced by the government officials to explain the huge build-up of this food-grain stock during last five years or so. The most important of which are, excessive procurement of food grains on account of too high minimum support prices for produces (despite a decline in grain output); the change in consumption priorities of the people, that is, large number of people voluntarily opted to reduce their cereal intake and replace it with fruits, vegetables and animal products simply because of rise in their income. Besides the growth rate of cereal production was higher as compared to population growth rate. (*Economic Survey* 2001-02). But there are very serious counter arguments about this huge food stock building process. For instance, Utsa Patnaik's (2003) emphasises that the excessive accumulation of food stock in India is not because of voluntary change in the consumption pattern of the people, as argued by the governmental officials, rather there has been a sharp decline in the availability of cereals which 'dropped to all time low of 141.4 KG per head and that of pulses dropped to below 10 KG per head in 2001' (22). The following table deciphers the real picture of food grains output and availability.

It is clear that such picture has emerged simply because of policies adopted by the decision makers in accordance with the market dictates. There is almost total consensus between the domestic policy makers and the champions of global trade liberalisation, mainly after mid-1990s, and the net impacts of the trade liberalisation and marketisation of economy in India are unsustainable alteration in the 'cropping patterns' and 'imported global price declines into Indian market' (Patnaik, 2003, 16). Thus, the official position of voluntary change in food habits of the people and high procurement prices for food produces have resulted into unprecedented level of food-grain stock is contradictory simply because there have been severe decline in employment rate and income of common people and hence, fall in aggregate demand, which ultimately means decrease in the availability of food-grains. Thus, because of market sponsored reform programmes the people employed in the field of agriculture have been systematically impoverished and dragged to state of hunger.

Summary of Annual per capita Foodgrains Output and Availability in India in the Nineties (Three Years Average)

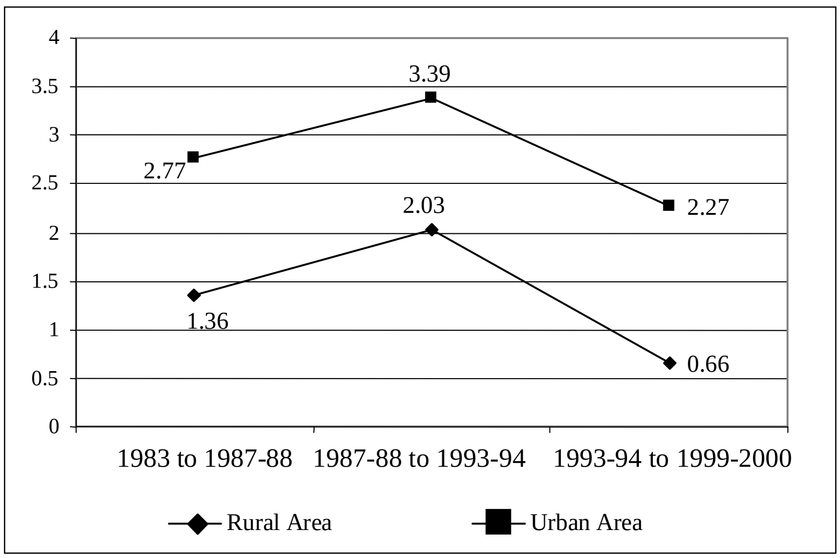
Three yr. period ending in	*Average Population (mn)*	*Net Output/ Head (Kg)*		*Net Availability per Head (Kg)*			
		Cereals	*Pulses*	*Cereals*	*Pulses*	*Food-grains*	*Gms/ day*
1991-92	850.70	163.43	178.77	162.8	14.2	177.0	485
1993-94	901.02	166.74	181.59	160.8	13.5	174.3	478
1997-98	953.07	162.98	176.81	161.6	12.6	174.2	477
2000-01	1008.14	164.84	177.71	151.7	11.5	163.2	447
2000-01 One Year	10027.03	157.79	167.43	141.42	9.64	151.06	414

Change in Per-Capita Availability of Food-grains:-	%
Triennium ending 1991-92 to Triennium ending 1997-98	-1.6
Triennium ending 1997-98 to Triennium ending 2000-01	-10.9
Total Change, 1991-92 to 2001-02	-12.3

Source: The table is based on data in finance Ministry, *Economic Surveys* and RBI report on *Currency and Finance* for Various Years and is reproduced here from Utsa Patnaik, "The Republic of Hunger", *Social Scientist*, Vol. 33, Nos. 9-10, Sept.-Oct. 2004, p. 21.

The issue of hunger and quality life is obviously related to generation of productive employment opportunities which constitutes the basic agenda for overall economic development of the country. The findings of the large scale data system in India, e.g., Economic Census of 1998, Population Census of 2001, Employment Exchange Statistics, the Rounds of NSS and several others, highlight the increasing gravity of the unemployment problem during last fifteen years, i.e., during reform period. That means contrary to the claims made by both–national policy makers as well as the national and international forces of market governance–the employment opportunities for the people, mainly in rural areas have reduced drastically as consequence of market reforms. The following Chart deciphers that there were greater opportunities for employment in rural areas during the pre-reform period as compared to the 1990s i.e., during post reform phase.

Comparative Employment Growth Rate in Pre and Post Reform Period (Per Cent Change Per Annum)



Source: The Chart has been drawn on the basis of data given by C.P. Chandersekher and J. Gosh, 2002, 141.

Not only the employment opportunities have drastically reduced as consequence of economic reforms but also the quality of employment conditions has become miserable. In India the labour sector has witnessed adverse changes during last fifteen years. The vulnerability of workers has increased with unprecedented speed simply because an overwhelming population of workers, i.e., about 92 per cent (Jha, 2003, 56), are engaged in informal sector of economy in which the working conditions are worsening continuously. The 1999-2000 NSS data reveal that the dimension of poverty has multiplied tremendously during the reform period. 'Almost 53 per cent of rural workers in unorganised sector manufacturing and constructions, and 40 per cent of agricultural labourers in rural areas were below the poverty line' (cited by Jha, 56). Thus, besides the failure in reducing the poverty, the market oriented reforms in India have also failed in developing the adequate framework of appropriate employment strategies, rather these reforms have displaced the people, mainly in rural areas, from their occupation of sustenance. Whatever employment has grown it is only in the area of service sector which provides opportunity only for trained workforce that too to a negligible number of people. The existing social milieu of the country is hardly going to provide easy opportunity to the weaker sections of the society in rural areas where the people have been displaced from the areas of conventional agricultural sector as consequence of market policies. Therefore, the so called economic boom is partial, controlled and regulated by the market forces and the most of the people are left out of purview of gainful employment.

Whose interests are going to be served through such policies? The trends that have emerged in the area of governance in post reform period in India indicate clearly that there is an all-out attempt to substitute the institutions of democratic governance by market governance. It is quite visible that, because of their anti-social and anti-democratic nature, economic reforms cannot be imbibed at bottom level as these reforms aim to emancipate the capital from the popular control and the governance through private agencies is not acceptable to poverty stricken people.

Market Governance–A Mission for Suicide of Indian Farmers

Perhaps the saddest story of the impacts of market governance in India is the unprecedented increase in the farmers' suicides across the country. Evidently, the liberalisation policies in India have made the agriculture unremunerative which means that major employment sector has been destroyed systematically by the forces of the market. As consequence of globalisation policies the Indian agriculture and farmers have been facing multi-fold attacks. The feeling of insecurity due to crop failure, land alienation and indebtedness among innocent farmers, the phenomena of post-reform period, has resulted into an epidemic of suicides by the farmers around the country.

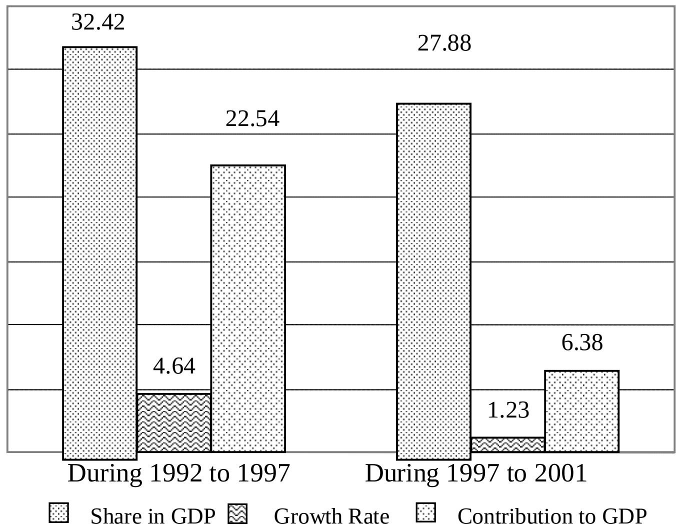
The whole set of market reforms have disintegrated the world community and inter-societal relationships, which were originally based on trust and interdependence but now have been designed on domination, exclusion and extermination and in this pursuit of market governance the international regulations have been targeting the farmers' community in India and elsewhere. In fact, market has allured the farmers with false promises of maximisation of profit and it is because of this undesirable commercialisation of agriculture that there has been a dramatic shift from staple and ecological agriculture done with no purchased inputs to cash crops like cotton, which 'overtook 99 per cent of the regions (in Andhra Pradesh, for instance) since globalisation started to change our agriculture' (Shiva, 2002, Z Magazine online). All these transformations in agriculture sector increased the dependency of Indian farmers on the external agencies in almost every respect. For example, the seeds which are being provided by the big Multinational Corporations such as, Monsanto, Syngenta and Ricetec (whom Vandana Shiva called as bio-pirates, 2003, from Net) are modified genetically in such a way that these cannot be recovered by the farmers which means every time farmers would have to purchase the seeds from the companies. Secondly, genetically modified seeds are very pest prone and farmers would need huge amount of pesticides to protect their crops. Thirdly, the genetically modified seeds are not friendly to local ecological conditions. For instance, cultivation of genetically modified rice in Punjab and Haryana, which require more than 5000 litres of water to produce a Kilogram of grain, replaced the local high yielding varieties requiring 3000 litres of water to produce a Kilogram (Sharma, 2004, from Net). Thus, it is not only that the input cost of farm production has increased but such policies have also made the farmers permanently dependent on the market forces simply because farmers' community have to purchase agriculture inputs like seeds and chemicals, from the forces of market on heavy prices. For instance, as pointed by Shiva (in an interview by David Barasamian available on Z Magazine Online, 2002) on account of discriminatory and exploitative package in the form of market reforms, 'the use of pesticides in Punjab has increased 2000 per cent in last decade and the genetically modified hybrid seeds are in fact the seeds of suicides'. The reports of farmers' suicides in India had started to arrive in 1997 and there onward the instances of suicides have been increasing continuously the causes for which are visibly prevalent in the policies of trade liberalisation and corporate globalisation. Ironically, none of the policy makers in India could ever sense the systematic transformation of positive economy of agriculture into a negative economy of peasants. So much so the various reports to establish the causes of farmers' suicides were fabricated to suit the interests of the big corporations. For example, Government of Karnatka Report on "Farmers Suicides in Karnatka –A Scientific Analysis" stated that main causes for farmers' 'suicides were psychological, not economic', and the Report identified 'alcoholism as the root cause of suicides' which, in fact, is the total aberration of the real facts simply because 'more that 90 per cent of suicides victims were in debt trap and not in bad habit' (report cited by Shiva, 2004, from Net). In fact, the committees constituted by the various state governments are overtly or covertly asked to design the report in such a manner that the interests of the corporate market players are not harmed rather sometime the moves of these market monopolies is legitimised by the government through such reports. The report of Veeresh Committee, constituted by the Karnatka government, which submitted its report in 2000, is a classical example of legitimatisation of authority of market forces. The committee out-rightly lamented that miserable conditions of farmers in Karnatka is not because of market reforms rather they themselves are responsible for such conditions. In the report the committee strongly recommended that 'small parcel of land – ranging up to 5 acres – are un-remunerative' and thus, proposed that the government should get rid of smallholdings of land by enacting the law through which such parcels of land could be handed over to 'private corporate houses' (cited by Ranjani, 2003, from Net). It is clear that such an excellent masterpiece suggested transforming the 'farmers' suicides into starvation deaths' by corporatisation and contractorisation of land resources belonging to small and marginal farmers.

The global corporations such as Cargill, Monsanto and Syngenta, in total collaboration with World Bank's Structural Adjustment Policies, have forced Indian farmers to adopt steps like selling off their kidneys or even committing suicide just to evade the debt economy. More than 25000 peasants in India have taken their lives since 1997 when forces of globalisation and corporate governance dragged the Indian farmers systematically to debt trap.

In fact, the current phase of market governance in India has divorced the political democracy from the economic democracy and with the weakening of role of democratic institutions there has been a prominent shift in the bases of good governance from 'public will' to the rule based on 'hate', 'fear' and 'exclusion'. This is mainly because probably first time after independence, Indian policy makers have put trade and commerce first rather livelihoods and food security. It is in fact, the export oriented agriculture which has impoverished the sections of rural population in India. As pointed by Shiva (Guardian, 2002), 'there is an inverse relation between increasing agriculture exports and declining food consumption locally and nationally. When countries grew flowers and vegetables for exports, they also sow the seeds of hunger'. The agriculture sector in general and poor farmers in particular, is real victim of market reforms. The following Chart indicates that the share of agriculture in National GDP and overall agricultural growth has been declining during the reform period.

The net implication of organised attack on Indian farmers through Agreement of Agriculture is that nearly 10,000 farmers committed suicide in the year 2004 only. The instances of farmers' suicides are increasing with the alarming pace especially with the unfolding of the excess of market. For instance, the recent report on farmers' in Maharashtra prepared by the Tata Institute of Social Sciences (TISS), compiled at the request of Bombay High Court, emphasises on the fact that because of 'repeated crop failure, inability to meet the rising cost of cultivation and indebtedness', there has been a dramatic increase in the rate of suicides among farmers in Maharashtra and 'in all cases this extreme step was taken only after all avenues were

Performance of Agriculture during Reform Period
(i.e., from 1992-93 to 1996-97 and 1997-98 to 2000-01)



Source: Derived on the basis of *RBI Reports on Currency and Finance 2000-01* and *Economic Survey 2001-02*.

exhausted' (cited by Anupama, 2005). The following table shows that the farmers' suicides rate in Maharashtra is increasing with the alarming pace after 2001which indicates that with the unfolding of excesses of market governance and withering away of sensitivity in decision making large number of farmers are forced to opt for last choice.

Suicide Cases in Maharashtra from 2001

Period	*Number of Deaths*
March 1 to December 31, 2001	41
January 1 to December 31, 2002	73
January 1 to December 31, 2003	129
January 1 to December 31, 2004	401

Source: TISS Report cited by Anupama, "The Roots of a Tragedy", *Frontline*, vol. 22, issue 14, July 02-15, 2005.

Although, the above mentioned study identified 644 suicides cases contrary to the reporting in media yet, in nutshell, the report clearly states that the farmers' suicides in Maharashtra are because of crop failure, which has become a cyclical phenomenon and not a one time occurrence. All attempts of government have proved ineffective in strengthening the small and marginal farmers and different government agencies are working as the agent of market forces. For example, the instances of suicides by the farmers are increasing perpetually in Vidharva region despite recent package announced by the Prime Minister.

It is not only that the input cost of agriculture production has increased tremendously, the market reforms are being implemented without providing the viable safeguards especially in terms of financial aid. Since the new economic policies the public sector rural credit has dropped to 10 per cent and 90 per cent of all rural borrowing is from private money lenders who are very often seeds and agri-chemical agents and who lend money on high crushing interest rate, sometimes as high as 450 per cent (Resolution passed by the Forum of Farmers' Organisation on Globalisation and Agriculture, 1998 form Net). It is clear from the facts available that the role of private financers in India is deeply related to the question of land holdings. Increase in the cost of seeds, pesticides and fertilizers (i.e., input cost) forces the farmers to approach lending institutions. Since most of the farmers who seek financial assistance, are tenants and, thus, are not eligible for bank loans as banks give the loan only if land can be offered as collateral. Poor farmers have no choice than to reach the local money lenders obviously under the guidance of middlemen and in absence of state sponsored safeguards. The failure of crops forced them to commit suicide. Not only from within the system i.e., from the government which represents the interests of companies (for instance, the Punjab government has been promoting the sale of Bt. Cotton), rather withering away of state has exposed the small farmers to strong international forces.

In fact, Indian farmers are systematically impoverished in a strategic manner by making the agriculture capital intensive in which the innocent Indian farmers are being trapped in the lust of high profits and are being driven to indebtedness as a result of manifold increase in input cost. This state of indebtedness has accentuated further with the withering away of the state support which is absolutely contrary to role played by state in developed countries. For example, 'in US cotton was subsidised at $12.9 billion during 1999-2000' (Flower, 2004, from Net), which ultimately made Indian product very costly and the farmers in India suffered heavy losses. In US the amount of subsidy being given is more as compared to the input cost on cotton and the state has provided total safeguards to its cotton farmers. About '25'000 Cotton producers in United States are given subsidy of $ 4 billion annually', which not only provides the safety nets to local producers but also lowers down the international prices of cotton artificially. In fact, the subsidy of $ 230 per acre in US has proved 'genocidal' to the cotton producers, mainly for the African farmers. 'High subsidies and forced removal of import restriction' by the developed countries have impoverished the farmers in Developing Countries by making them more vulnerable in international market. For instance, 'global prices have dropped from $ 216 per ton in 1995 to $ 133 per ton in 2001 for wheat, $ 98.21 per ton in 1995 to $ 49.1 per ton in 2001 for cotton, $ 273 per ton in 1995 to $ 178 per ton for Soya-bean in 2001. This reduction is not because of doubling in productivity but due to increase in subsidies and an increase in market monopolies controlled by a handful of agriculture corporations' (Shiva, 2004[a], from Net). This is the real picture of the state support system in the countries which have been pressurising the Indian government to reduce the subsidy. Because of unfavourable trade practices advocated by the forces of market the big business corporations are stealing the wealth of poor people of South. The status of India's traded agriculture commodities project a grimy situation simply because 'Indian peasants are loosing $ 26 billion or Rs. 1.2 Trillion annually' (Shiva 2004[a]).

The story of crop failure of Bt. Cotton (the name Bt. has been derived from the Bacterium named Bacillus thuringiensis which contains toxin-producing gene from Bacterium called Bt and the crops and plants produce this toxin in every cell and in every moment, which is supposed to be an alternative to pesticides), in Maharashtra and Andhra Pradesh highlights that the promises of high yield with the help of hybrid seeds are absolutely false. The surveys show that in Maharashtra and Andhra Pradesh the yield of non-Bt. varieties was 10 quintals per acre whereas Bt. yields were just 2 quintals per acre'. Same is the story of crop yields in other states also.' In 'Madhya Pradesh non-Bt. varieties gave 7.05 quintals per acre whereas Bt. gave 4.01 quintals per acre' and in case of Karnatka this figure was '7 quintals per acre for non-Bt.' and '3.82 quintals per acre for Bt. varieties (Shiva, 2003, from Net). That means the use of Bt. cotton seeds led to decline of crop yield by 50– 60 per cent. Very recently, i.e., July-August 2005, in Punjab the farmers have suffered a huge loss because of use of Bt. varieties. It was noticed that the crop failed because of attack of American worm on the crop. The company which is producing and propagating the Bt. seeds, the Monsento-Mahyco Corporation, in order to evade the criticism, has been stating that the duplicate Bt. seeds were supplied by the local agents to the farmers of Punjab which led to the crop failure. Thus, it is only a systematic drive designed by the forces of market to drag the poor farmers to the state of starvation leaving no option other than suicide for them.

Can the parameters of good governance be achieved in the conditions emerging after the economic reforms? Answers to such questions are deep-rooted in the universally accepted features of good governance, which are reflected in the political processes. The key parameters of good governance include formation and implementation of policies and programmes that are equitable, transparent, non-discriminatory, socially sensitive, participatory and accountable to the people at large. Experiences show that good governance helps not only in securing human well-being but also in achieving the sustainable development. But, contrary to it, poor governance hinders individual capabilities and distorts the masses from the path of development. Facts available before us show that economic reforms have complicated the process of good governance as substantial portion of population has been denied the basic needs of food, water and shelter. The general picture of society emerging out of economic reforms is grim because the threat to life and personal security has increased (mainly because of denial of accessibility to life values to majority people), marginalisation and exclusion of the majority has increased, the state machinery has become insensitive, non-transparent and unaccountable and number of voiceless poor people without having any form of participation in the institutions of decision making, has increased. Because of the gap between intent and the actions the credibility of existing political institutions has become doubtful. Unfortunately, at this moment neither the existing political institutions nor the institutions of market represent the 'public will'. While evaluating the performance of market oriented economic reforms in East Asia, Philip Golup had stated that, 'by imposing a draconian purge on countries that have already been bled white, the International Financial Institutions and market, are reinventing the suicidal policy of early 1930s (cited by Tabb: 2002, 103). It appears we are not prepared to learn out of experiences.

Creation of Ethnic Crises through Market Governance

Yet another interesting phenomenon which has emerged as consequence of marketisation of state in recent times is that the people belonging to different segments of society, particularly those who are deprived of opportunities of development and modernisation, have started to organise themselves in the form of groups on the basis of their identity. Since, the economic reforms have fragmented the society, the alienated sections of population have started to search their essential reality in the group consciousness. This process of collective social identification is marked with the re-awakening of different groups based on religion, region, culture, language, tribal or ethnic identity and attachment to local community in last two decades. The reasons for the emergence of national or ethnic identities in post reform period or in period of economic globalisation, are deep rooted in the contradictions of market governance simply because the forces of market have inflicted the legitimacy crisis, i.e., the legitimate authority of state at current stage has been overshadowed by them (market forces). For instance, the cabinet and parliament in India have been taking the policy decisions (e.g., disinvestments of public sectors, deregulation of state's control over foreign capital and withdrawal of state from the area of public services) in accordance with the market interests. Consequently, the process of capital accumulation in the hands of upper sections of society (or masters of market) has aggravated which has obviously resulted into the re-awakening of identity consciousness of the people who are being deprived of benefits of modernisation and development. Since, the inequality is an inherent component of mercantilism, the phenomenon of identity consciousness is likely to accentuate further. Amin has rightly pointed that the world capitalist system that has emerged from the Second World War has two historically inherent characteristics–

> *First, the historically constructed bourgeois nation-state which represented the political and social framework for the management of national capital economies, each in aggressive competition with other, second, an almost absolute control between industrialisation of centre and absence of industry in the peripheries (56).*

In the same fashion the market oriented industrialisation in India has widened the developmental gap among different regions and consequently, the groups falling in the periphery of the present economic settings have started to realise the ethnic realities. Though, it is clear that in certain cases the ethnic realities are false simply because they are attributes of current political situations in India yet, accumulation of resources of human development in particular areas or in the hands of particular groups of the people has created the spectre of ethnicity. For instance, because of unequal distribution of resources the ethnic consciousness in North East India has arisen to alarming level. The rise of Dalit assertion is also somehow the consequence of alienation of deprived people in the market regime. In this manner the economic reforms in India have characteristically polarised the social conflicts around the economic settings of the groups in the society and it is assumed that in the absence of state the political crisis in the form of ethnic movements and religious fundamentalism are likely to increase further.

Since, the 'marketing is form of manipulation and deceit' (Chomsky: 1997, 191), the governance through market laws can never create an egalitarian society. The economic reforms in India have transformed democratic society into business-run society through strongly emerging middle class. This is where the strategies of growth and development in India and China differ. In China reforms accompanied by marked improvement in life standards of popular classes whereas in India 'growth exclusively benefited the new middle class' and 'poverty of the dominant popular classes remained unchanged, even worsened slightly' (Amin: 2005, 6). However, the standards of civil rights in china have remained questionable in totalitarian regime. Besides, weakening of democratic institutions, the reforms in India have created a media system controlled and regulated by the 'private tyrannies' (Chomsky: 1997, 190). The modern media of communication are supported by the emerging economic forces, mainly the market, both financially and technologically, and thus, show loyalty towards them, not towards the common people living in the villages who have been contributing in building this huge system through public funds.

The net implication of the economic reforms in India is privatisation of governance. The gap between rich and poor is increasing because the common people pay the costs and take the risk, and market actors make the profit. Because of technological advancements and market opportunities the urban population is better placed as compared to their rural counterparts in grabbing the benefits of economic reforms. As consequence of economic reforms in India the 'compradorization of (national) bourgeoisie' has intensified. Thus, on account of these reforms the economic imbalances have emerged significantly and consequently, political systems and society have become unstable. As pointed by Amin (1997, 70) that the inter-mediation of foreign bourgeoisie with the national bourgeois class has 'placed the unity of the state at risk' by reinforcing regional irredentism, manipulated by cliques whose aim is to control local politics'. In India most of state resources are used in managing the crisis emerging because of policies adopted under the economic reforms instead of equalising the benefits through judicious distribution of values. Thus, market governance is not a viable and ethical proposition for the country like India. Progress can never be inhumane. How market can be allowed to drag civil society in the state of vast conflicts? If these conditions persist, the social struggles challenging the supremacy of market actors are bound to rise.

While concluding it can be stated that solution lies not in withering away of state rather in reactivating the state agencies. Poverty, inequality, unemployment and socio-economic injustice: these are the issues in which the Indian government has to take important role. While citing the example of Botswana Stiglitz (36) stated that 'there are alternatives to IMF-style programs, other programs that may involve the reasonable level of sacrifice, which are not based on market fundamentalism, programs that have had positive out comes'. He pinpoints that 'Botswana success rested on its ability to maintain political consensus based on broader sense of national unity' (37). The main task of state or government is to provide safety nets to vulnerable sections of society. The poor people should be saved from the atrocities of the market through the strong safety networks.

The systematic hijacking of democratic institutions by the forces of market is certainly going to be reacted strongly. The vicious design of market governance has tried to establish this planet as their monopoly property and the humanity cannot be left at the mercy of market forces, which have been trying to substitute the state institutions for all practical purposes. Market governance is bound to create the violence and war against deprived sections of society. There are likely chances that when the state institutions will try to protect the civil rights of the weaker sections of society the state would be declared terrorist institution. Ironically, inhumane minority doctrine of market governance, (obviously as neo-liberal experiment) has been transformed into a popular doctrine by the leading forces of market with help of scientific and technological development. As has been stated by Karl Polanyi in his masterwork *The Great Transformation* published in 1944, "to allow the market mechanism to be sole director of the fate of human beings and their natural environment…would result in demolition of society" (cited by George, 1999). Is it not a right time to redefine the course of human development and address the issues related to fundamentalism of the market and ideologies of hate and intolerance which are deeply rooted in the fear–fear of other, fear of capacity and creativity of other and fear of the sovereignty of other? It is absolutely contradictory preposition that 'compassionate market governance' (as being called so by the players of market) will spread economic prosperity to all, instead the recent trends reveal that market sponsored governance obstructs rather than promotes economic development, aggravates rather than reduces economic instability, induces rather than narrows the gap between rich and poor and impoverishes rather than prospers the poor people. Market governance can never be the answer to these questions rather it is the cause for this insecurity and fear. Although, there are serious moves against the market dictatorship across the world yet a well organised mass movement to protect the civil rights of the common people from the looters (market forces) is needed and the democratic governance can only be realised with the strengthening of state.

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